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UE-240461
Received
Records Management
Sep 23, 2024

September 23, 2024

Via Electronic Filing

Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: *In the Matter of UE-240461 – PacifiCorp’s 2023 Power Cost Adjustment Mechanism*
Comments of the Alliance of Western Energy Consumers

Dear Executive Director Killip:

The Alliance of Western Energy Consumers (“AWEC”) supports Staff’s recommendation to suspend PacifiCorp d/b/a Pacific Power & Light Company’s (“PacifiCorp” or “Company”) 2023 Power Cost Adjustment Mechanism (“PCAM”) and to initiate an adjudicatory proceeding to review whether PacifiCorp’s proposed rates are reasonable and just. In the alternative, AWEC requests that the Commission reject PacifiCorp’s tariff filing without prejudice and require the Company to refile the tariff no sooner than 30 days after the date of the Commission’s final order in Docket No. UE-230482, PacifiCorp’s 2022 PCAM filing.

The resolution of PacifiCorp’s 2022 PCAM may have a direct impact on the amounts PacifiCorp should be allowed to defer and recover under its 2023 PCAM. The primary issue of contention in the 2022 PCAM proceeding is whether PacifiCorp prudently hedged its NPC for Washington. AWEC, Staff, and Public Counsel have all taken positions on this issue and have each recommended disallowances of various amounts.¹ As of the filing of this Petition, a final order on PacifiCorp’s 2022 PCAM has not been issued. If PacifiCorp is found to have imprudently hedged its Washington NPC position in 2022, then it is likely that this decision could impact the amount of its 2023 NPC that PacifiCorp is allowed to recover, as there is no

¹ See Docket No. UE-230482, Exh. Nos. BGM-1CTr, JDW-15CT, RLE-1T.

evidence to suggest that PacifiCorp’s hedging activities in 2023 were materially different from its activities in 2022.

Moreover, there are independent grounds to adjudicate the Company’s 2023 PCAM. AWEC is actively litigating PacifiCorp’s 2023 PCAM filing in Oregon.² In that proceeding, AWEC has filed testimony related to costs associated with ongoing litigation between PacifiCorp and Wildcat Coal, LLC, which owns a coal lease that serves the Jim Bridger Generating Station.³ This litigation relates to \$15.2 million (total Company) in advance royalty payments that PacifiCorp has included in the 2023 PCAM.⁴ AWEC has argued that these payments are not properly included because: (1) PacifiCorp has not yet expended the funds; (2) PacifiCorp does not believe it will expend the funds; (3) the accrual relates to mining activities covering prior PCAM periods; and (4) any amounts that would be paid relate to imprudent mining practices.⁵ Oregon Commission Staff has also recommended separate disallowances associated with the Company’s fuel stock costs and its response to certain force majeure events declared by coal suppliers.⁶ AWEC also anticipates that Oregon Staff will file supplemental testimony on September 25th following resolution of issues related to a modified protective order in the proceeding to govern highly confidential information.⁷

For the foregoing reasons, AWEC respectfully requests that the Commission approve Staff’s recommendation, which is also supported by Public Counsel, and suspend PacifiCorp’s 2023 PCAM filing and set this matter for adjudication. In the alternative, AWEC requests that the Commission reject the 2023 PCAM filing without prejudice and require the Company to refile its tariffs no sooner than 30 days following the issuance of a final order in the 2022 PCAM proceeding.

Dated this 23rd day of September 2024.

Respectfully submitted,

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/s/ Sommer J. Moser

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² Oregon Public Utility Commission (“OPUC”) Docket No. UE 439.

³ *Id.*, Exh. AWEC/100, Mullins/2:1-6:22.

⁴ *Id.* at 2:16-17.

⁵ *Id.* at 2:6-9.

⁶ *Id.*, Exh. Nos. Staff/200, Dyck/13:1-15; Staff/400, Pileggi/8:20-10:4.

⁷ *Id.*, Administrative Law Judge Ruling (Sept. 13, 2024).

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